

NEW APPLICATION



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2006 FEB 16 P 2:52

AZ CORP COMMISSION
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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF BEARDSLEY WATER COMPANY FOR
DELETION OF A PORTION OF ITS
CERTIFICATE OF CONVENIENCE AND
NECESSITY

DOCKET NO. W-02074A-06-0095

**APPLICATION FOR DELETION
OF PORTION OF CERTIFICATE
OF CONVENIENCE AND
NECESSITY**

Applicant Beardsley Water Company ("Beardsley") hereby applies for a Commission Order approving the permanent deletion and extinguishment of that portion of the Certificate of Convenience and Necessity ("CCN") relating to approximately 924 acres of property located within Maricopa County, Arizona and depicted on Exhibit "A" hereto.

Beardsley is a public service corporation regulated by the Commission that holds a Certificate of Convenience and Necessity authorizing Beardsley to provide water utility service within the defined geographic area depicted on Exhibit "B" hereto. Currently, Lennar Corporation ("Lennar") is in the process of developing a small portion of the area within Beardsley's CCN. Specifically, Lennar is developing a phased development known as the Asante Development which is comprised of two parcels. Parcel 1 consists of approximately 1500 acres of land located within the municipal boundaries of the City of Surprise (the "City"). Parcel 2 consists of approximately 2100 acres of land located in Maricopa County, but outside the municipal boundaries of the City of Surprise. The City

1 has indicated its intention to annex the Parcel 2 property. Approximately 402 acres of the
2 Parcel 1 property is located within Beardsley's CCN Area, and approximately 522 acres of
3 the Parcel 2 property is located within Beardsley's CCN Area. While Beardsley owns and
4 operates a water system which serves customers residing within other portions of
5 Beardsley's CCN Area, it does not now, nor has it ever, served any customer or constructed,
6 owned or operated any water infrastructure within any portion of the Parcel 1 or Parcel 2
7 property.

8 The City provides water utility service to customers residing within the City's water
9 service area. Approximately 1,081 acres of the Parcel 1 property are located within the
10 City's water service area, with approximately 402 acres located within Beardsley's CCN
11 Area and 17 acres located within the CCN area of Arizona-American Water Company.
12 Approximately 1,578 acres of the Parcel 2 property is located within the City's water
13 service area, with approximately 522 acres located in Beardsley's CCN Area. In order to
14 allow for the orderly, efficient, and economical development of water infrastructure within
15 the City of Surprise and the Asante Development, and in order to provide consistent service
16 and rates to the public, the City is willing and able to become the sole water utility service
17 provider to the Asante Development. Beardsley agrees with the City that such a course of
18 action is in the public interest. The City will also provide wastewater service to the Asante
19 Development, including subject CCN Area to be deleted, so the deletion will have the effect
20 of combining water and wastewater service in one provider.

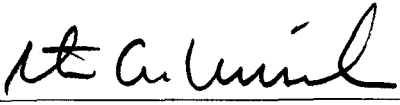
21 Accordingly, Beardsley Water Company hereby respectfully requests that the
22 Commission:

- 23 1. Schedule a hearing on this Application as soon as possible, and thereafter:
- 24 2. Approve the permanent deletion and extinguishment of that portion of the
- 25 Certificate of Convenience and Necessity for Beardsley Water Company described and
- 26 depicted on Exhibit "A" hereto, and issue its Final Order to this effect; and
- 27
- 28

1 3. Grant such further relief as may be appropriate in the circumstances.

2 DATED this 16th day of February, 2006.

3 BRYAN CAVE LLP

4
5 By 
6 Steven A. Hirsch, #006360
7 Stanley B. Lutz, #021195
8 Two N. Central Avenue, Suite 2200
9 Phoenix, AZ 85004-4406
10 Attorneys for Beardsley Water Company

11 **ORIGINAL** and 17 copies of the foregoing
12 filed this 16th day of February, 2006 with:

13 Docket Control Division
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007

17 **COPY** of the foregoing hand-delivered
18 this 16th day of February, 2006 to:

19 Lyn A. Farmer, Esq.
20 Chief Administrative Law Judge
21 Hearing Division
22 Arizona Corporation Commission
23 1200 W. Washington Street
24 Phoenix, AZ 85007

25 Ernest G. Johnson
26 Director, Utilities Division
27 Arizona Corporation Commission
28 1200 W. Washington Street
Phoenix, AZ 85007

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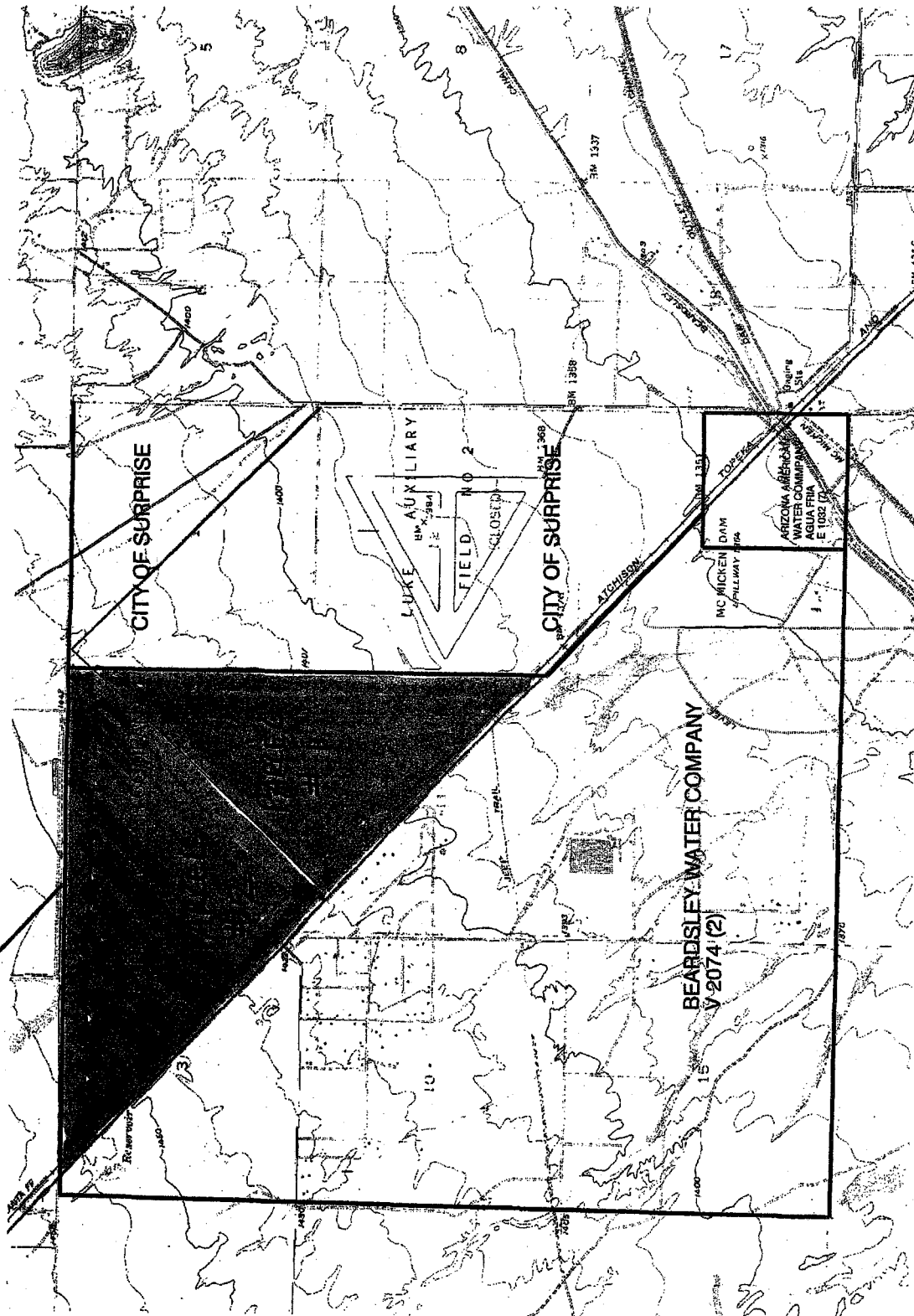
1 Christopher Kempley, Chief Counsel
2 Legal Division
3 Arizona Corporation Commission
4 1200 W. Washington Street
5 Phoenix, AZ 85007

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Exhibit A

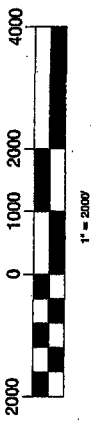
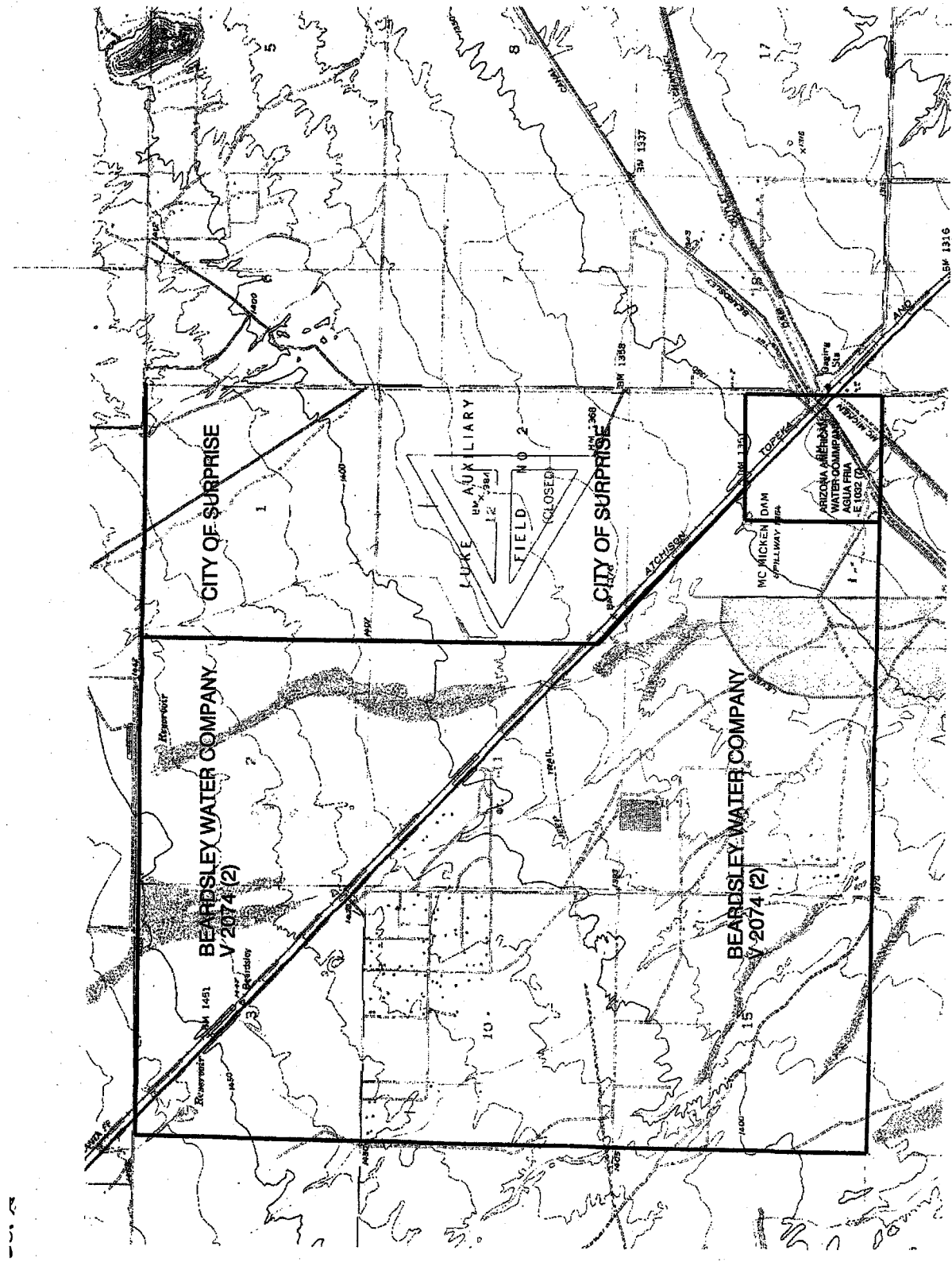
EXHIBIT C



LENNAR COMMUNITIES
DEVELOPMENT INC.

WATER FRANCHISE DISTRICTS

Exhibit B



WATER FRANCHISE DISTRICTS

LENNAR COMMUNITIES
DEVELOPMENT INC.

